

# Lithuania, Russia Weigh Trade Links

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MOSCOW, June 1—The leader of the breakaway republic of Lithuania met today with the newly elected president of Russia, the Soviet Union's largest and most powerful republic, and discussed the possibility of establishing direct trading links in defiance of the Kremlin's economic blockade against the tiny Baltic state.

Stopping in Moscow on his way back from Czechoslovakia, Lithuanian President Vytautas Landsbergis met for one hour with Boris Yeltsin, the populist politician elected Tuesday as president of the Russian republic, or federation. Lithuanian officials later said the meeting marked the first step on a road to long-term economic cooperation and establishment of formal relations.

Support from the Russian republic is of considerable symbolic importance to Lithuania, which has been embroiled in a constitutional crisis with the Kremlin since its March 11 declaration of independence. The Soviet cutoff of fuel supplies, part of the Kremlin's blockade, has closed more than a third of Lithuania's factories and forced more than 40,000 workers out of their jobs.

The Russian congress, meeting in the Kremlin, today began discussion of a declaration on sovereignty aimed at claiming control over all the republic's natural resources and asserting a right to override federal legislation. The declaration is considered likely to be adopted next week, providing a legal basis for Russia to negotiate treaties with other Soviet republics.

After his election, Yeltsin had said he intended to make negotiation of a trade agreement with Lithuania one of his first priorities. But he sidestepped the question of whether Russia would break the economic blockade ordered by Soviet President Mikhail Gorbachev in an attempt to force Lithuania to retract its declaration of independence.

In the short term, it seems unlikely that Russia could provide significant economic assistance to Lithuania, particularly since the two republics do not share a common border. Over the longer term, however, the establishment of direct commercial and trading links between republics could deal a severe blow to the Soviet Union's rigid system of centralized economic control.

The Baltic states are an important market for Russian oil, natural gas and other raw materials, which are distributed by the federal government at only a fraction of world prices. Yeltsin announced this week that Russia would begin charging world prices to other republics for raw materials after a one-year transition period.

The new Russian president, who was forced to resign from the ruling Politburo in November 1987 after criticizing the slow pace of reform, said today that he wanted an early meeting with Gorbachev after the Soviet president's return from the United States. "I am prepared to go a good part of the distance toward Gorbachev, throwing aside everything personal that has piled up recently. I hope that he too will cover part of the road," Yeltsin told reporters during a break in the congress.

The Soviet news agency Tass today said another Baltic republic, Latvia, has introduced rationing of food products in response to panic buying by consumers who fear the Kremlin may impose economic sanctions in retaliation for independence moves.